



## **BUDGET COMMITTEE MINUTES**

**Thursday, March 1, 2018**

**6 PM**

**Hillsboro Civic Center Room C113B&C**

**Public Meeting**

**150 E. Main Street**

### **CALL TO ORDER**

**Present:** Mayor Steve Callaway, Councilors Darell Lumaco, Kyle Allen, Anthony Martin, Olivia Alcaire and committee members Olga Acuña, David Judah, Jennifer Davis, Dan Mason, Nathan Parent, and Alexander Diaz

**Excused Absence:** Councilors Fred Nachtigal and Rick Van Beveren

**Staff Present:** Michael Brown, Robby Hammond, Rob Dixon, Suzanne Linneen, Michelle Wareing, Jon Grover, Gary Dunagan, Dan Dias, Colin Cooper, Lee Dobrowolski, Kirsten Miller, Karen Muller, Amber Victoor, Kim Basney, Greg Mont, John Taylor, David Downey, Chris Kocks, Amy Williams, Lisa Colling, John Campbell, Ken Christian, Lee Lindsey, Dave Miletich, Mary Bradley, Toni Plunkett, Teresa Galvan, Tom Arnold, and Amber Ames

**1. Introductions:** Budget Committee and City staff

**2. Elections:**

A. Budget Committee Chair

Motion was made by Judah, seconded by Allen to nominate Mayor Callaway as Budget Committee Chair. There were no further nominations. The motion passed unanimously with Lumaco, Allen, Martin, Alcaire, Acuña, Judah, Davis, Mason, Parent, and Diaz voting in favor. Mayor Callaway was elected Budget Committee Chair.

B. Budget Committee Vice Chair

Motion was made by Lumaco, seconded by Martin to nominate Councilor Allen as Budget Committee Vice Chair. There were no further nominations. The motion passed unanimously with Lumaco, Allen, Martin, Alcaire, Acuña, Judah, Davis, Mason, Parent, and Diaz voting in favor. Councilor Allen was elected Budget Committee Vice Chair.

**3. Presentation:** Emily Starbuck, Workforce Analyst, Oregon Employment Department

A. Hillsboro Economic Update

Recorder's Note: A copy of the PowerPoint presentation is on file.

Ms. Starbuck gave a PowerPoint presentation overviewing Washington County employment growth, population growth rates, industry employment data, wage growth and home rental prices. She also distributed a copy of the Washington County Economic Indicators data sheet.

**4. Staff Presentations:**

A. Opening remarks

Recorder's Note: A copy of the PowerPoint presentation is on file.

Suzanne Linneen, Finance Director, began a PowerPoint presentation and reviewed the evening's agenda.

Ms. Linneen gave an overview of the budget process and emphasized the importance of the Budget Committee as it relates to setting an overarching financial policy that helps to provide the framework for the essential services to citizens and allow for long-term plans for the City. She also highlighted the importance of citizen involvement in the budget process and reviewed budget responsibilities and key budget priorities including: financial stability, public safety, economic vitality, existing and future infrastructure, as well as revenue restrictions and the components that guide the budget creation.

B. Budget calendar

Ms. Linneen gave an overview of the 2018-19 budget calendar and said public comment will be taken at the May 9<sup>th</sup> Budget Committee meeting and during the public hearing at the June 19<sup>th</sup> City Council meeting.

C. Review last year's General Fund results (Fiscal Year 2016-17)

In highlighting the General Fund net surplus/deficit for the past few years, she said in the past, expenses have exceeded revenues and discussed the importance of reserves and the PERS stabilization fund.

Next, Ms. Linneen reviewed the purposes for staff's target of 16.66% and a goal of 20% ending working capital (or two months of operating cost) for the General Fund reserve. The final ending fund balance was 21.5% for 2016-17.

D. Review of current year-end forecast (Fiscal Year 2017-18)

Ms. Linneen reviewed the key themes and issues for Fiscal Year 2017-18 including the budgeted increase of 3.37% assessed valuation (AV) and an increase of 37 full-time employees across all funds.

E. Proposed budget for Fiscal Year 2018-19

1. Preliminary budget assumptions

Ms. Linneen reviewed the economic factors for the proposed budget and described the budget assumptions in terms of revenues and expenditures. The assumptions are available in the PowerPoint presentation.

2. Forecast of ending working capital

This section was discussed earlier on the agenda under Item 4C.

3. Other considerations

Ms. Linneen highlighted some of the projects that are currently underway including: Willamette Water Supply, South Hillsboro, North Hillsboro, police station facilities, training facility, Community Center at 53<sup>rd</sup> Avenue, fleet replacement, street lighting, wayfinding and Jackson School Road.

4. Budget Committee requests/discussion/questions

Staff indicated they would follow-up after the meeting related to councilor questions regarding: a breakdown in AV growth, transportation funding questions specifically related to improvements on Highway 26, timing of scheduled increases of the Transportation Utility Fee as well as how the fee is assessed and calculated, and sunset schedules for the three active Strategic Investment Program (SIP) agreements.

Councilor Acuña asked if the proposed budgets would be distributed electronically and staff said we will accommodate the individual's preferred format.

**5. Mayor and Council Stipend Review Discussion:**

Mr. Brown described the role of the Mayor and Council President as it relates to the Charter, as well as the role as it relates to travel and interaction with the community. There was discussion about the technology stipends and monthly service stipends, and the lay members determined no adjustments would be proposed at this time. However, staff would like to bring information back in May related to the Mayor's expense stipend of \$175 monthly.

The stipend review discussion adjourned at 8:29 pm.

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Steve Callaway, Chair

ATTEST: \_\_\_\_\_  
Amber Ames, City Recorder